



# Haryana Government Gazette

## EXTRAORDINARY

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**PART - I****HARYANA GOVERNMENT****LAW AND LEGISLATIVE DEPARTMENT****Notification**

The 14th January, 2021

**No. Leg.1/2021.**— The following Act of the Legislature of the State of Haryana received the assent of the Governor of Haryana on the 25th November, 2020 and is hereby published for general information :-

**HARYANA ACT NO. 1 OF 2021****THE HARYANA ACCOUNTABILITY OF PUBLIC FINANCES (AMENDMENT)****ACT, 2020****AN****ACT**

*further to amend the Haryana Accountability of Public Finances Act, 2019..*

Be it enacted by the Legislature of the State of Haryana in the Seventy-first year of the Republic of India as follows:-

1. (1) This Act may be called the Haryana Accountability of Public Finances (Amendment) Act, 2020. Short title.

(2) It shall come into force on such date, as the State Government may, by notification in the Official Gazette, specify.

2. In the long title of the Haryana Accountability of Public Finances Act, 2019 (hereinafter called the principal Act), for the words “auditing system”, the words “internal auditing system” shall be substituted. Amendment of long title of Haryana Act 12 of 2019.

3. In section 2 of the principal Act,-

- (i) in clause (b), after the words “accountable and auditable entity”, the words “subject to the internal audit” shall be added at the end;
- (ii) in clause (c), after the words “accountable and auditable entity”, the words “subject to the internal audit” shall be added at the end;
- (iii) for clause (d), the following clause shall be substituted, namely:-  
‘(d) “internal audit” includes internal pre-audit, internal concurrent audit, internal test audit, internal special audit, internal system audit, internal performance audit and such other examination of accounts, as may be specified;’;
- (iv) for clause (f), the following clause shall be substituted, namely:-  
‘(f) “internal concurrent audit” means a continuous internal audit of accounts of day-to-day transactions;’;
- (v) in clause (i), for the words “performance audit”, the words “internal performance audit” shall be substituted;
- (vi) clause (j) shall be omitted;
- (vii) in clause (k), for the words “pre audit”, the words “internal pre-audit” shall be substituted;
- (viii) in clause (m), for the words “special audit”, the words “internal special audit” shall be substituted;
- (ix) in clause (n), for the words “system audit”, the words “internal system audit” shall be substituted;
- (x) in clause (q), for the words “test audit”, the words “internal test audit” shall be substituted.

Amendment of section 2 of Haryana Act 12 of 2019.

- Substitution of section 3 of Haryana Act 12 of 2019.
4. For section 3 of the principal Act, the following section shall be substituted, namely:-
- “3. Internal audit of accounts.-** Notwithstanding anything to the contrary contained in this Act and without prejudice to the powers and functions of the Comptroller and Auditor General (Duties, Powers and Conditions of Service) Act, 1971 (Central Act 56 of 1971), it shall be lawful to conduct an internal audit of accountable and auditable entity and to recover the cost of internal audit in respect of such accountable and auditable entity in such manner, as may be prescribed.”.
- Substitution of section 4 of Haryana Act 12 of 2019.
5. For section 4 of the principal Act, the following section shall be substituted, namely:-
- “4. Separation of State Internal Audit and State Accounts Wing.-** (1) There shall be an Internal Audit Wing and Accounts Wing headed by the Director, Internal Audit and Director, Accounts respectively who shall work under the supervision of Administrative Secretary to Government, Haryana, Finance Department.
- (2) The manner of internal audit and maintenance of accounts of each accountable and auditable entity or of any specific entity shall be such, as may be prescribed.”.
- Omission of sections 5 and 6 of Haryana Act 12 of 2019.
6. Sections 5 and 6 of the principal Act shall be omitted.
- Substitution of section 7 of Haryana Act 12 of 2019.
7. For section 7 of the principal Act, the following sections shall be substituted, namely:-
- “7. Liability of authority to prepare and present accounts for internal audit.-**
- (1) The accounts relating to the financial year shall be prepared and presented for internal audit by the authority within three months after the end of each financial year, in such form and such manner, as may be prescribed.
- (2) The authority shall furnish certified financial disclosure statements by the 30th June or on such date, by which the entity is mandated by any separate Act each year including details of the various bank accounts of the accountable and auditable entity along with the following,-
- (i) public funds deposited in the various bank accounts;
- (ii) interest thereon;
- (iii) utilization as on date and future expenditure plan;
- (iv) any other detail, as may be prescribed.
- (3) The State Government may withhold release of funds to any accountable and auditable entity which fails to furnish mandated financial statement on expiry of three months from the end of financial year.
- (4) The State Government shall take necessary action to recover the loss, as identified by the audit officer in such manner, as may be prescribed.
- (5) The authority shall check that the public funds provided to any accountable and auditable entity for a specific purpose are spent in the financial year, failing which the State Government may initiate examination into the economy, efficiency and effectiveness with which the resources have been utilized and after giving an opportunity of being heard, may-
- (i) call for an explanation for non-utilization within the financial year;
- (ii) call for explanation for the delay;
- (iii) withdraw the funds allocated by the State, along with interest incurred on such funds and deposit the same in a bank account designated by the State Government:
- Provided that the funds withdrawn above may be released by the State Government on submission of a request by the accountable and auditable entity along with a concrete action plan for utilization:
- Provided further that no funds shall be withdrawn contrary to the provisions of the Constitution of India or any other law for the time being in force.
- 7A. Effect of issues establishing or governing accountable and auditable entity.-** This Act shall be in addition to and shall not be in derogation of any issue establishing or governing the accountable and auditable entity subject to internal audit under this Act.”.

8. For section 8 of the principal Act, the following section shall be substituted, namely:-

Substitution of  
section 8 of  
Haryana Act 12 of  
2019.

**“8. Power to make rules.-** (1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, the State Government may make rules providing for:-

- (a) the manner to conduct internal audit and to recover the cost of internal audit under section 3;
- (b) the manner of internal audit and maintenance of accounts under sub-section (2) of section 4;
- (c) the form and manner for preparing and presenting the accounts for internal audit under sub-section (1) of section 7;
- (d) the manner for recovery of loss under sub-section (4) of section 7;
- (e) any other matter which has to be or may be prescribed by rules made under this Act.”.

BIMLESH TANWAR,  
Administrative Secretary to Government Haryana,  
Law and Legislative Department.